(a) whether Government's attention has been drawn to the news-item captioned "Chidambaram question pricing of GAIL GDRs" which appeared in Economic Times dated the 9th November, 1999; and

(b) if so, Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI E. PONNUSWAMY): (a) Yes, Sir.

(b) In 1997, the Book Building process was followed to ascertain the share price of GAIL in GDR market. There were no quotes for the price of Rs. 115/- per share. However, price of Rs. 116/- per share was quoted by the bidders for demand of about 4.8 crore shares only. As GDR issue was launched with a mandate to sell upto 20 crore shares at a minimum price of Rs. 125/- per share, the issue was withdrawn, inter alia, on account of extremely low demand even at the price below the minimum approved price.

As the price of shares often fluctuate, there can be no linkage between price quoted by the bidders, two years ago, in 1997 and the market driven price asertained in 1999.

About 13.5 crore shares of face value of Rs. 10 per share of GAIL held by Government have now been sold in the GDR market, at a market driven price of Rs. 70 per share, which emerged from "Book Building" exercise.

Guidelines for regularising contract employees in PSUs

1653. SHRI GOPALSINH G. SOLANKI: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the guidelines being followed by his Ministry in the matter of regularisation of services of "contract employees" in various Public Sector Undertakings (PSUs);

(b) whether it is a fact that a large number of "contract employees" in various PSUs in his Ministry are awaiting permanent absorption on regular basis; and

(c) if so, details thereof with the number of such employees appointed and regularised during the past five years; year-wise and in all the PSUs?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI E. PONNUSWAMY): (a) to (c) As intimated by the Ministry of Labour, they have not issued guidelines in respect of regularisation of services of Contract labour in PSUs. However, the Central Government (in the Ministry of Labour) has issued Notifications from time to time under Section 10 of the Contract Labour (Regulation & Abolition) Act, 1970, prohibiting employment of contract labour in certain specified works in establishments under its administrative control. Several Writ Petitions filed in different Courts for and against the implementation of these notifications are presently pending in the Courts.

The Supreme Court of India in the Air India Statutory Corporation Limited Vs. United Labour Union and others have held that once a Notification prohibiting employment of contract labour in an activity is issued under Section 10 of the Contract Labour (Regulation & Abolition) Act, 1970, the contract labour engaged in that activity become the direct employees of the concerned establishments. Issues pertaining to engagement and absorption labour arising out of this judgement was taken up by the Standing Conference of Public Enterprises (SCOPE) on behalf of the PSUs. The same has been admitted and referred to a large Bench of the Supreme Court. Thus, the entire matter of regularisation of contract labour has become sub judice.

The above position notwithstanding, Oil PSUs under the Ministry of Petroleum and Natural Gas have reportedly regularised the services of 2088 contract employees during the last five years in pursuance of the Central Government Notifications, Court directions or otherwise as under—

1995 — 509
1996 — 407
1997 — 535
1998 — 338
1999 — 299

Internal valuation of GAIL's Equity

1654. SHRI DIPANKAR MUKHERJEE:
SHRI NILOTPAL BASU: